

PHYSICIANS CASUALTY RISK RETENTION GROUP INC.,

FAQ

Q: When was Physicians Casualty Risk Retention Group, Inc., (“PCRRG”) put into Rehabilitation?

A: On August 16, 2019, a preliminary injunction was granted by the Circuit Court of Montgomery County, Alabama whereby PCRRG consented to Rehabilitation.

Q: What is Rehabilitation?

A: Rehabilitation is a statutory and court supervised proceeding that can be used to try and restructure or run-off an insurance company’s business. When an insurance company is made subject to Rehabilitation, the Alabama Department of Insurance Chief of Receivership becomes the statutory and court affirmed Receiver of the company. Under Rehabilitation, the Receiver is vested with title to all the company’s property, assets, books, records and premises, as well as all rights of action and lawsuits.

Q: Why is the company in Rehabilitation?

A: PCRRG was placed into rehabilitation in order to protect the interests of policyholders, claimants and other creditors from the company’s deteriorating financial condition.

Q: Who does this affect?

A: The Rehabilitation proceeding affects all creditors and claimants of PCRRG, as well as all persons and vendors having a contractual relationship with PCRRG. This includes policyholders, persons asserting claims against policyholders, creditors, defense attorneys, and others who received coverage from PCRRG.

Q: What will happen to my policy?

A: Unless otherwise notified, all current policies remain in effect. The preliminary injunction did not cancel your policy. If your premium is current and your policy has not been cancelled or non-renewed for any other reason, then under the preliminary injunction your policy will remain in force through its current expiration date.

Q: Will claims be paid, i.e. lawsuits?

A: Until further notice, the Receiver will authorize the payment of insurance claims as they come due and owing in the ordinary course of business. The claims function will continue to be handled by Commonwealth Insurance of Florida, 611 Druid Road E. Suite 512, Clearwater, Florida 33756.

Q: Will my company’s reinsurance claim be paid?

A: Yes, until otherwise notified.

Q: How can I get a copy of the Rehabilitation Order?

A: To obtain a copy refer to the Receiver's website, www.aldoi.gov or PCRRG's website at www.physicianscasualty.com

Q: What if PCRRG goes into Liquidation?

A: Although liquidation is not currently contemplated, if PCRRG were to one day be placed into liquidation, insureds cannot rely on the safety net provided by a state guaranty association since there are no guaranty fund protections afforded to Risk Retention Groups.